

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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S-E-C-R-E-T

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report concerning the Forgacsolo és Szerszamarugyár Tools Factory in Budapest, including information on the organization, lathe shop, products, and workers.

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General

1. The Forgacsolo Es Szerszamarugyar Tools Factory is located at the corner of Reiter Ferenc and Keszkeno Streets, Angyalfold, Budapest XIII. The Reiter Ferenc side of the enterprise, which houses offices, is three stories high, about 40 meters long and six meters wide. This wing is enclosed by a low concrete wall and has a flat roof. The Keszkeno Street wing, also three stories high, is about 60 meters long and 10 meters wide, and is occupied by workshops. It has a sloping tile roof and is surrounded by a tile-topped brick wall 2.5 meters high.

2. Pedestrians enter the factory through Reiter Ferenc Street, where the chief gatekeeper and two assistants are permanently posted. Workers must show their work books upon entrance, while on leaving they are subjected to a thorough search. A person entering at other than his regular hour must produce a special permit. Vehicles enter from Keszkeno Street,

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where a gatekeeper is also on guard.

3. In 1949, the enterprise, once a German aircraft assembly plant, reverted from Soviet to Hungarian ownership and war damages were subsequently repaired. The factory now employs 400 persons, 260 of whom are reportedly in administration. The labor turnover has considerably increased in recent months, despite the complicated departure procedure, which entails the signature of seventeen officials.

Organization

4. The factory is composed of a number of sections, of which the following are on the first floor:

- a. The lathes' shop (Szerszam Muhely) which operates in two shifts.
- b. Cutting shop (Darabolo Muhely)
- c. Lakatos Muhely Locksmith shop
- d. Maintenance shop (Karbantarto Muhely) which employs about 15 - 20 workers in three shifts.
- e. Electrical shop (Villany Szerkelo Muhely) also with 15 - 20 workers in three shifts.
- f. Grinding shop (Koszorus Muhely) with about 25 workers in three shifts.
- g. Hardening shop (Edzo Muhely)

A reaming shop (Nagymaros Muhely), which employs 65 workers, and a tool shop (Szerszam Muhely), with 40 workers and a packing room (Csomagolo Muhely) are located on the second floor. The largest department, the screw cutting department (Memetvago Muhely) is located on the third floor. Despite the sectional divisions a variety of skilled workers is employed

in each section. The lathes shop, for example, employs a number of locksmiths and electricians.

The Lathes Shop

5. The lathes shop is equipped as follows:

- a. Fourteen reaming machines (Marogep), two of which are [redacted]; six [redacted] two Mark O's, two Mark U-1's, two Mark U-2's
- b. Five grinding machines (Koszoru-gep), two of recent Czech make, and three old Hungarian machines
- c. Five automatic turret lathes (Automata Reveolverpad)
- d. Eleven ordinary lathes

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Products

6. The principal products of the factory are:

- a. Screw Taps (manetfuro)
- b. Dies (Menetvagopofa)
- c. Spiral drills (Csigafuro)
- d. Reamers (Dorzsar)
- e. Saw blades (Fureszlap)
- f. Turners' chisels (Esztergakes)
- g. Reamers' chisels (Dorzsarkes)
- h. Plate cutters (Tarcsamaro)
- i. Angle cutters (Szogmaro)

7. Most of the factory's raw materials come from Czechoslovakia, USSR, and until recently, Austria. The metals, which arrive at the factory in sheet and round iron form, comprise tool sheet for the manufacture of soft and cutting tools (szerszanacel and gyorsacel). Most of the production is for the local market, while a small amount is for export to the USSR and satellite countries.

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8. Workers are divided into eight categories corresponding to trade proficiency, with No. 1 representing the classification for unskilled and domestic workers. A grade 4 turner, for example, receives 900 - 1000 forints monthly, 1200 forints when he exceeds his quota, while a grade 8 receives 2,500 - 3,000 forints monthly. Premiums are paid when the plan is surpassed, and are mostly pocketed by department and section heads, with a small amount going to the workers.

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